

# REQUIRED SUPPLEMENTARY INFORMATION





## Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government		-----Discretely Presented Component Unit-----				
	SPRF	PERF -State	PERF-Municipal	ECRF	JRS	PARF	LRS
<b>Valuation Date: July 1, 2002</b>							
Actuarial value of assets	\$ 304,773	*	*	*	*	*	*
Actuarial accrued liability (AAL)	349,772	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(44,999)	*	*	*	*	*	*
Funded ratio	87%	*	*	*	*	*	*
Covered payroll	50,895	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-88%	*	*	*	*	*	*
<b>Valuation Date: July 1, 2001</b>							
Actuarial value of assets	\$ 307,072	\$ 2,063,627	\$ 2,484,339	\$ 36,921	\$ 115,040	\$ 11,073	\$ 4,665
Actuarial accrued liability (AAL)	338,867	1,896,506	2,249,835	52,024	188,640	20,418	5,508
Excess of assets over (unfunded) AAL	(31,795)	167,121	234,504	(15,103)	(73,600)	(9,345)	(843)
Funded ratio	91%	109%	110%	71%	61%	54%	85%
Covered payroll	51,395	1,429,768	2,157,252	12,486	29,748	13,636	**
Excess (unfunded) AAL as a percentage of covered payroll	-62%	12%	11%	-121%	-247%	-69%	**
<b>Valuation Date: July 1, 2000</b>							
Actuarial value of assets	\$ 292,383	\$ 1,960,018	\$ 2,356,058	\$ 34,368	\$ 103,733	\$ 9,781	\$ 4,557
Actuarial accrued liability (AAL)	326,016	1,701,091	2,047,213	46,272	182,448	13,943	5,453
Excess of assets over (unfunded) AAL	(33,633)	258,927	308,845	(11,904)	(78,715)	(4,162)	(896)
Funded ratio	90%	115.22%	115.09%	74%	57%	70%	84%
Covered payroll	50,898	1,371,496	2,110,957	11,306	30,428	13,422	**
Excess (unfunded) AAL as a percentage of covered payroll	-66%	19%	15%	-105%	-259%	-31%	**
<b>Valuation Date: July 1, 1999</b>							
Actuarial value of assets	\$ 273,032	\$ 1,828,584	\$ 2,179,129	\$ 31,510	\$ 91,073	\$ 8,323	\$ 4,319
Actuarial accrued liability (AAL)	303,805	1,583,486	1,904,943	43,368	176,301	13,712	5,473
Excess of assets over (unfunded) AAL	(30,773)	245,098	274,186	(11,858)	(85,228)	(5,389)	(1,154)
Funded ratio	90%	115%	114%	73%	52%	61%	79%
Covered payroll	46,361	1,271,756	1,978,441	11,317	30,963	12,566	**
Excess (unfunded) AAL as a percentage of covered payroll	-66%	19%	14%	-105%	-275%	-43%	**
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees)							
* - information not available							
** The benefit formula is determined based on service rather than compensation. The unfunded liability is expressed per active participant and there are 58 active participants. The unfunded liability per active participant is \$14,528							

**State of Indiana**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**

**For the Year Ended June 30, 2002**

(amounts expressed in thousands)

	<b>General Fund</b>			<b>Variance to Final Budget</b>
	<b>Budget</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Income	\$ 4,861,008	\$ 4,861,008	\$ 4,274,035	\$ (586,973)
Sales	2,315,500	2,315,500	2,161,438	(154,062)
Fuels	-	-	-	-
Gaming	-	-	136,055	136,055
Inheritance	160,000	160,000	142,732	(17,268)
Alcohol and tobacco	68,500	68,500	68,440	(60)
Insurance	160,000	160,000	178,569	18,569
Total taxes	<u>7,565,008</u>	<u>7,565,008</u>	<u>6,961,269</u>	<u>(603,739)</u>
Current service charges	147,857	147,857	238,489	90,632
Investment income	130,000	130,000	86,585	(43,415)
Grants	-	-	14,146	14,146
Other	9,150	9,150	38,577	29,427
	<u>7,852,015</u>	<u>7,852,015</u>	<u>7,339,066</u>	<u>(512,949)</u>
Total revenues				
	<u>7,852,015</u>	<u>7,852,015</u>	<u>7,339,066</u>	<u>(512,949)</u>
<b>Expenditures:</b>				
Current:				
General government	701,461	1,342,149	1,291,724	50,425
Public safety	670,787	707,808	620,422	87,386
Health	127,071	139,363	125,463	13,900
Welfare	1,980,654	478,579	404,749	73,830
Conservation, culture and development	118,543	135,184	72,850	62,334
Education	5,569,958	5,013,737	4,614,808	398,929
Transportation	1,104	11,297	4,000	7,297
	<u>9,169,578</u>	<u>7,828,117</u>	<u>7,134,016</u>	<u>694,101</u>
Total expenditures				
	<u>9,169,578</u>	<u>7,828,117</u>	<u>7,134,016</u>	<u>694,101</u>
Excess of revenues over (under) expenditures	(1,317,563)	23,898	205,050	(181,152)
<b>Other financing sources (uses):</b>				
Total other financing sources (uses)	<u>(1,745,914)</u>	<u>(1,745,914)</u>	<u>(540,065)</u>	<u>1,205,849</u>
<b>Net change in fund balances</b>	<u><u>\$ (3,063,477)</u></u>	<u><u>\$ (1,722,016)</u></u>	<u>(335,015)</u>	<u><u>\$ 1,387,001</u></u>
<b>Fund balances July 1, as restated</b>			<u>1,375,682</u>	
<b>Fund balances June 30</b>			<u><u>\$ 1,040,667</u></u>	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
463,016	463,016	460,256	(2,760)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
463,016	463,016	460,256	(2,760)	-	-	-	-
12,488	12,488	16,952	4,464	-	-	-	-
-	-	-	-	-	-	-	-
7,579	7,579	11,346	3,767	2,104,495	2,104,495	2,507,778	403,283
58,333	58,333	55,334	(2,999)	-	-	-	-
<u>541,416</u>	<u>541,416</u>	<u>543,888</u>	<u>2,472</u>	<u>2,104,495</u>	<u>2,104,495</u>	<u>2,507,778</u>	<u>403,283</u>
278,111	278,111	278,111	-	404	404	404	-
179,092	188,250	175,818	12,432	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,577,830	3,894,513	3,877,783	16,730
-	-	-	-	-	-	-	-
259	252	252	-	-	-	-	-
-	54	16	38	-	-	-	-
<u>457,462</u>	<u>466,667</u>	<u>454,197</u>	<u>12,470</u>	<u>3,578,234</u>	<u>3,894,917</u>	<u>3,878,187</u>	<u>16,730</u>
83,954	74,749	89,691	(14,942)	(1,473,739)	(1,790,422)	(1,370,409)	(420,013)
(93,972)	(93,972)	(167,365)	(73,393)	808,979	808,979	1,394,245	585,266
<u>\$ (10,018)</u>	<u>\$ (19,223)</u>	(77,674)	<u>\$ (58,451)</u>	<u>\$ (664,760)</u>	<u>\$ (981,443)</u>	23,836	<u>\$ 1,005,279</u>
		<u>82,850</u>				<u>(5,252)</u>	
		<u>\$ 5,176</u>				<u>\$ 18,584</u>	

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**State of Indiana**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>State Highway Department</b>			<b>Variance to Final Budget</b>
	<b>Budget</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	103	103	35	(68)
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Total taxes	103	103	35	(68)
Current service charges	14,074	14,074	13,314	(760)
Investment income	481	481	179	(302)
Grants	497,189	497,189	494,255	(2,934)
Other	32,376	32,376	36,387	4,011
Total revenues	544,223	544,223	544,170	(53)
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	1,065,253	1,061,753	1,061,753	-
Total expenditures	1,065,253	1,061,753	1,061,753	-
Excess of revenues over (under) expenditures	(521,030)	(517,530)	(517,583)	53
<b>Other financing sources (uses):</b>				
Total other financing sources (uses)	555,907	555,907	512,855	(43,052)
<b>Net change in fund balances</b>	<b>\$ 34,877</b>	<b>\$ 38,377</b>	(4,728)	<b>\$ (43,105)</b>
<b>Fund balances July 1, as restated</b>			207,319	
<b>Fund balances June 30</b>			<b>\$ 202,591</b>	

Property Tax Replacement Fund				Tobacco Settlement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,452,250	1,452,250	1,477,895	25,645	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,452,250	1,452,250	1,477,895	25,645	-	-	-	-
-	-	-	-	127,759	127,759	149,250	21,491
-	-	-	-	8,721	8,721	4,318	(4,403)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,452,250	1,452,250	1,477,895	25,645	136,480	136,480	153,568	17,088
1,179,831	1,171,354	1,171,354	-	61,631	24,278	3,331	20,947
-	-	-	-	-	-	-	-
-	-	-	-	20,000	39,619	39,619	-
-	-	-	-	-	784	244	540
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,179,831	1,171,354	1,171,354	-	81,631	64,681	43,194	21,487
272,419	280,896	306,541	(25,645)	54,849	71,799	110,374	(38,575)
(221,634)	(221,634)	(306,541)	(84,907)	(97,491)	(97,491)	(73,419)	24,072
\$ 50,785	\$ 59,262	-	\$ (59,262)	\$ (42,642)	\$ (25,692)	36,955	\$ 62,647
		-				240,310	
		\$ -				\$ 277,265	

## Budget/GAAP Reconciliation

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	General Fund	Special Revenue Funds	Total
Net change in fund balances (budgetary basis)	\$ (335,015)	\$ (21,611)	\$ (356,626)
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:			
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	(31,191)	59,796	28,605
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	<u>(353,536)</u>	<u>182,312</u>	<u>(171,224)</u>
<b>Net change in fund balances (GAAP basis)</b>	<b><u>\$ (719,742)</u></b>	<b><u>\$ 220,497</u></b>	<b><u>\$ (499,245)</u></b>



## Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	<u>Average Pavement Quality Index (PQI)</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Interstate Roads (including Rest Areas and Weigh Stations)	N/A	87	88
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	N/A	83	82
Non-NHS Roads	N/A	80	78

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70). It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads.

Bridges	<u>Average Sufficiency Rating</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Interstate Bridges	91.2%	N/A	N/A
NHS Bridges - Non-Interstate	91.2%	N/A	N/A
Non-NHS Bridges	88.1%	N/A	N/A

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69) and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

N/A - Information is not available

**Infrastructure - Modified Reporting**  
**Comparison of Needed-to-Actual Maintenance/Preservation**  
**(dollars in thousands)**

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Roads</b>					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 101,574	N/A	N/A	N/A	N/A
Actual	198,144	N/A	N/A	N/A	N/A
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	67,392	N/A	N/A	N/A	N/A
Actual	2,618	N/A	N/A	N/A	N/A
Non-NHS Roads					
Needed	185,909	N/A	N/A	N/A	N/A
Actual	311,757	N/A	N/A	N/A	N/A
Roads at State Institutions and Properties					
Needed	5,000	N/A	N/A	N/A	N/A
Actual	1,603	N/A	N/A	N/A	N/A
Total					
Needed	359,875	N/A	N/A	N/A	N/A
Actual	514,122	N/A	N/A	N/A	N/A

**Bridges**

Interstate Bridges					
Needed	\$ 42,634	N/A	N/A	N/A	N/A
Actual	27,838	N/A	N/A	N/A	N/A
NHS Bridges - Non-Interstate					
Needed	35,384	N/A	N/A	N/A	N/A
Actual	11,265	N/A	N/A	N/A	N/A
Non-NHS Bridges					
Needed	41,116	N/A	N/A	N/A	N/A
Actual	74,388	N/A	N/A	N/A	N/A
Total					
Needed	119,134	N/A	N/A	N/A	N/A
Actual	113,491	N/A	N/A	N/A	N/A

N/A - Information is not available

